

Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

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TO SECSTATE WASHDC 1174

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DEPT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: REVISION OF GERMAN BALANCE OF PAYMENTS DATA

REF: BONN A-130

1. IN ITS MARCH MONTHLY REPORT, THE BUNDESBANK REPORTED ON SUBSTANTIAL REVISIONS OF BALANCE OF PAYMENTS DATA FOR 1973 AND PREVIOUS YEARS. ACCORDING TO THE BUNDESBANK, THE REVISIONS WERE MAINLY NECESSARY BECAUSE OF STATISTICALLY UNRECORDED INFLOWS OF FUNDS RESULTING A) FROM SHIFTS IN TERMS OF PAYMENTS IN TIMES OF SPECULATIVE MONETARY UNREST, AND B) CAPITAL TRANSACTIONS BY WHICH GERMAN CONTROLS ON CAPITAL IMPORTS WERE CIRCUMVENTED. THE BUNDESBANK BY USING ESTIMATES AND ADDITIONAL STATISTICAL INFORMATION NOW MADE AN EFFORT TO APPORTION PART OF THESE UNRECORDED INFLOWS TO INDIVIDUAL BALANCE OF PAYMENTS ACCOUNTS. THE BANK, HOWEVER, CAUTIONED THAT THE REVISIONS, WHICH MAINLY AFFECTED 1973, ARE STILL OF A PRELIMINARY NATURE.

2. THE 1973 OVERALL BALANCE OF PAYMENTS SURPLUS REMAINED UNCHANGED

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FROM THAT REPORTED IN BONN'S A-130. BASIC CHANGES AFFECTED THE

PRIVATE LONG-TERM AND THE PRIVATE NON-BANK SHORT-TERM CAPITAL ACCOUNT. THE LONG-TERM CAPITAL ACCOUNT SUPLUS OF DM 765 MILLION (AS REPORTED IN BONN'S A-130) WAS REVISED UPWARD BY DM 7.2 BILLION TO A SURPLUS OF DM 8.1 BILLION. THE REVISION BASICALLY REFLECTED A DM 3.9 BILLION INCREASE IN FOREIGN PURCHASES OF GERMAN BONDS AND A DM 3.0 BILLION INCREASE IN GERMAN LONG-TERM BORROWINGS ABROAD.

3. IN THE PRIVATE NON-BANK SHORT-TERM CAPITAL ACCOUNT AN ADDITIONAL INFLOW OF DM 11.1 BILLION WAS REPORTED SHIFTING THE DM 2.3 BILLION DEFICIT IN THIS ACCOUNT (SEE BONN A-130) INTO A DM 8.7 BILLION SURPLUS. THE ADDITIONAL INFLOW MAINLY REFLECTED NET INCREASES OF DM 4.0 BILLION IN FINANCIAL CREDITS TAKEN UP ABROAD BY GERMAN FIRMS, AND OF DM 7.1 BILLION IN TRADE CREDITS. THE LATTER REFLECTED SHIFTS IN TERMS OF PAYMENTS IN FOREIGN TRADE.

4. FURTHER CHANGES AFFECTED THE TRADE BALANCE (INCREASING THE TRADE SURPLUS BY DM 0.7 BILLION), THE SERVICESES ACCOUNT (REDUCING THE DEFICIT BY DM 3.0 BILLION) AND THE TRANSFERS ACCOUNT (INCREASING THE DEFICIT BY DM 0.7 BILLION).

5. AS A RESULT OF THE ABOVE REVISIONS, THE 1973 POSITIVE ERRORS AND OMISSIONS ITEM OF DM 23.8 BILLION (SEE BONN A-130) WAS REDUCED TO DM 2.5 BILLION.

6. THE GERMAN VERSION OF THE BUNDESBANK'S MARCH MONTHLY REPORT CONTAINING DETAILS ON THE BALANCE OF PAYMENTS REVISIONS, WILL BE TRANSMITTED BY SEPARATE AIRGRAM; THE ENGLISH VERSION THEREOF WILL BE TRANSMITTED LATER UNDER THE CERP PUBLICATION PROGRAM.
HILLENBRAND

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